

2007 ANNUAL REPORT

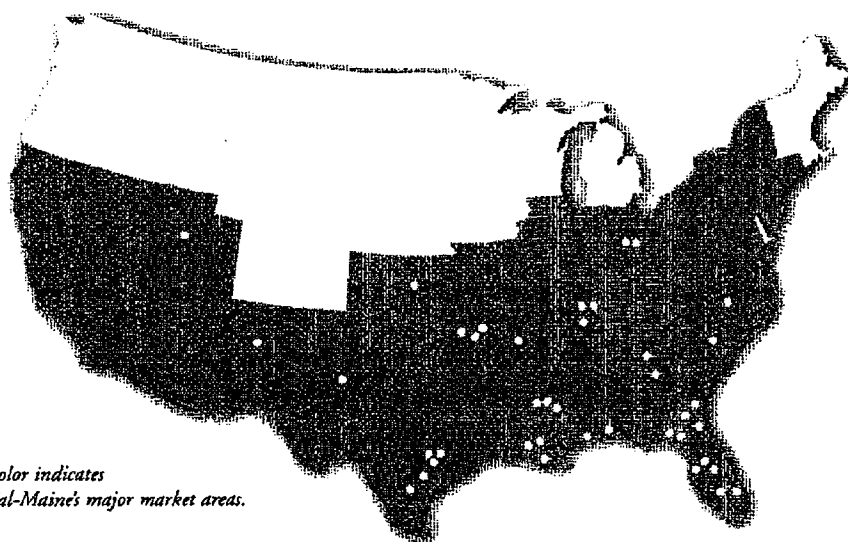


CAL-MAINE FOODS, INC.

Cal-Maine Foods, Inc. is primarily engaged in the production, grading, packing and sale of fresh shell eggs. The Company, headquartered in Jackson, Mississippi, is the largest producer and distributor of fresh shell eggs in the United States with fiscal 2007 sales of approximately 685 million dozen shell eggs, representing approximately 15.5 percent of domestic shell egg consumption in the United States.

The common shares of Cal-Maine Foods, Inc. are traded on the Nasdaq National Market under the symbol CALM.

CAL-MAINE LOCATIONS



*Color indicates
Cal-Maine's major market areas.*

ALABAMA Robertsdale	GEORGIA Blackshear Gainesville Moniac Shady Dale	MISSISSIPPI Edwards Jackson <i>(Corporate Offices)</i> Mendenhall	SOUTH CAROLINA Bethune
ARKANSAS Green Forest Searcy Siloam Springs	KANSAS Chase	NEW MEXICO Albuquerque	TENNESSEE Clarksville
FLORIDA Brooksville Bushnell Callahan Kenansville Lake City Lake Wales Mascotte Quincy Wellborn	KENTUCKY Bremen Guthrie	NORTH CAROLINA Louisburg	TEXAS Flatonia Harwood Idalou Klesel Linn Waelder
	LOUISIANA Hammond Pine Grove Ponchatoula	OHIO Rossburg Union City	UTAH Delta
		OKLAHOMA Watts	

Green Forest Foods, LLC Acquisition

As of June 3, 2006, the Company owned 50 percent of Green Forest Foods, LLC, which was accounted for under the equity method of accounting. On January 24, 2007, we purchased the remaining 50 percent interest in Green Forest Foods, LLC for \$2 million in cash. We allocated the purchase price to the net assets acquired consisting principally of flock inventories and facilities leased under a capital lease. Effective with the purchase, the results of operations of Green Forest Foods, LLC are consolidated in the Company's financial statements. Green Forest Foods, LLC located in Green Forest, Arkansas, had been jointly owned and operated by Pier 44 Properties, LLC, an unaffiliated entity, and Cal-Maine Foods, Inc. since January 2006. Subsequent to the acquisition, the Company paid the capital lease obligation of approximately \$10.5 million in full. Green Forest Foods, LLC produces, processes, and markets eggs from approximately one million laying hens, along with pullet growing for replacements.

Benton County Foods, LLC Acquisition

On April 20, 2007, through our 90% owned subsidiary, Benton County Foods, LLC, we acquired the assets and business of the shell egg division of George's, Inc., an unaffiliated entity, located near Siloam Springs, Arkansas. Benton County Foods, LLC is a newly formed company jointly owned by the Company and PW3 Holdings, LLC, an unaffiliated entity. The purchase price totaled \$10.9 million in cash. The assets acquired include approximately one million laying hens, and a feed mill in Watts, Oklahoma. As part of this acquisition, Benton County Foods, LLC will lease growing facilities from George's Inc. for replacement pullets. CCF Brands (an affiliate of PW3 Holdings, LLC) has a supply agreement in place for approximately 50 percent of the eggs produced by the Benton County Foods, LLC. Eggs will be marketed to retail food businesses and food service distributors in the south central region of the United States. The results of operations of the shell egg business acquired are included in the Company's consolidated financial statements subsequent to the acquisition date.

Pro forma information and the allocation of the purchase price to the net assets acquired with respect to the acquisitions of Green Forest Foods, LLC and Benton County Foods, LLC is not significant to the Company's consolidated financial statements and accordingly has not been presented.

3. Investment in Affiliates

The Company owns 50% each of Specialty Eggs LLC and Delta Egg Farm, LLC ("Delta Egg") as of June 2, 2007. Investment in affiliates, recorded using the equity method of accounting, totaled \$6,428 and \$6,763 at June 2, 2007 and at June 3, 2006, respectively. Equity in income or (loss) of \$1,699, (\$757), and (\$88) from these entities have been included in the consolidated statements of operations for fiscal 2007, 2006 and 2005, respectively.

The Company is a guarantor of 50% of Delta Egg's long-term debt, which totaled approximately \$9,544 at June 2, 2007. Delta Egg's long-term debt is secured by substantially all fixed assets of Delta Egg and is due in monthly installments through fiscal 2009. Delta Egg is engaged in the production, processing and distribution of shell eggs. The other 50% owner also guarantees 50% of the debt. The guarantee arose when Delta Egg borrowed funds to construct its production and processing facility in 1999. The guarantee would be required if Delta Egg is not able to pay the debt. Management of the Company believes this possibility is unlikely because Delta Egg is now well capitalized.

At June 2, 2007, and June 3, 2006, "Notes receivable and investments" as shown on the Company's consolidated balance sheet includes the cost of an investment in Egg-Land's Best, Inc., in which the Company has a 25.9% equity interest as of June 2, 2007 and had a 25.7% equity interest as of June 3, 2006. The Company can not exert significant influence over Egg-Land's Best, Inc.'s operating and financial activities; therefore, the Company accounts for this investment using the cost method. The carrying value of this investment at June 2, 2007, and June 3, 2006, was \$440.